

COURSE SPECIFICATION DOCUMENT

Academic School/Department:	Richmond Business School
Programme:	BA (Hons) Finance and Investment with Combined Studies BA (Hons) Economics with Combined Studies BSc Accounting and Finance with Combined Studies
FHEQ Level:	6
Course Title:	Financial Institutions and Markets
Course Code:	FNN 6210
Course Leader:	Ivan K. Cohen
Student Engagement Hours:	120
Lectures:	30
Seminar / Tutorials:	15
Independent / Guided Learning:	75
Semester:	Fall
Credits:	12 UK CATS credits 6 ECTS credits 3 US credits

Course Description

This course introduces the student to the spectrum of financial institutions that operate in the global economy—depository, contractual and investment institutions—and the wide array of markets in which they trade. The economic roles of the financial institutions and major trends in the financial system are analyzed within the existing regulatory environment. Significant focus is devoted to operational issues in the financial system, particularly regarding risk: interest rate risk, liquidity risk, market risk, credit risk, operations risk, technology risk, as well as foreign exchange, political and sovereign risks. The course discusses key regulatory issues, as well as introducing Islamic finance.

Prerequisites: ECN 4105, ECN 4110, FNN 5200, ECN 5210

Aims and Objectives:

This course enables the student to understand the nature and role of the financial system within the broader economy. Its primary focus is on the financial markets and financial institutions which are key components of the financial system. Significant focus is devoted to operational

issues, including the various forms of risk and their management. Regulation and compliance are discussed as a continuously evolving phenomenon. Islamic finance is also considered.

Programme Outcomes

Finance and Investment:

A1, B1, B2, B5, D1, D4, D5

Economics:

A3, A4, A5, B1, B3, B4, C1, C4, C5, C8, D

Accounting and Finance:

A1, A4, B1, B2, C1, D1, D3

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by the Registry and located at: <https://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes:

Upon completion of this course, a successful student should be able to

Knowledge and Understanding

1. Develop an understanding of the nature and role of the financial system, including identification of trends and also the nexus between regulation and innovation.
2. Develop a full understanding of the objectives and strategies of financial institutions, including risk management and asset/liability management.
3. Understand financial asset price determination, including the term structure of interest rates.
4. Understand the measurement and management of various forms of financial risk.
5. Understand the relationship between the real economy and the international financial system, including the growth of Islamic finance.

Cognitive Skills

1. Understanding the language and jargon of finance and be able to converse fluently.
2. Being able to understand the nature and role of the financial system— including its regulation—as a key component of the economy.
3. Being able to compare and contrast the various forms of financial institutions, and of financial markets.
4. Being able to understand and recognise the continually evolving nature of the international financial system.

Practical and/or Professional Skills

1. Quantitative and IT skills including the framing of data, its interpretation, extrapolation and presentation.

2. Integration of empirical data within a textual-based report.
3. The ability to apply key Finance concepts and theories, to finding policy resolutions for financial issues and problems.

Key Skills

1. Effective communication skills via a range of media.

2. Ability to develop strong analytical skills through listening, discussion and reflection.

Indicative Content:

1. The historic evolution of the financial system in response to changing circumstances.
2. Introduction to Islamic finance.
3. Financial markets: Money markets and capital markets.
4. Financial intermediation: depository FIs, contractual FIs, investment FIs.
5. Asset pricing: the term structure of interest rates, exchange rates.
6. International financial markets.
7. Risk management.
8. Financial regulation and compliance.

Assessment:

This course conforms to the University Assessment Norms approved at Academic Board.

Teaching Methodology:

Semi-formal bi-weekly presentation of material in lecture format interspersed with discussion. Supplemented with a rigorous set of readings and some audio-visual material.

Indicative Text

Arnold G. (2012) Modern Financial Markets and Institutions- A Practical Perspective, Person Education Limited.

Bodie, Z., Kane A. and Marcus, A. (2011), Investments and Portfolio Management. McGraw Hill Global edition, 9th edition.

Casu, B. Giardone, C. and Molyneux, P. (2006) Introduction to Banking. FT Prentice Hall.

Madura, J. (2015) Financial Markets and Institutions. South Western Cengage Learning, 11th edition (International edition) (ISBN: 9781133947875).

Rose P. and Hudgins S. (2013) Bank Management & Financial Services. McGraw Hill International Edition 9th edition. 7 Other study materials:

Saunders, A. and Cornett, M. M. (2012) Financial Markets and Institutions. McGraw Hill International Edition.

Periodicals: The Economist, Wall Street Journal, Bloomberg Markets and the Financial Times newspaper.

Also some articles from academic journals, such as The European Journal of Finance, The Journal of Finance, The Journal of Money, Credit and Banking, The Journal of Business Finance and Accounting and The Journal of Banking and Finance are available electronically and may also be of interest and rewarding, even if such sources can be challenging at times. Different academic articles of interest will also be included on Blackboard for students to follow up after lectures.

Web Sites

Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus

Change Log for this CSD:

Major or Minor Change ?	Nature of Change	Date Approved & Approval Body (School or LTPC)	Change Actioned by Academic Registry
Minor	Prerequisite change	7 th February 2014	
minor	Update to Reading List	October 2019	